GOVERNMENT OF INDIA
COMPANY AFFAIRS
LOK SABHA

UNSTARRED QUESTION NO:845
ANSWERED ON:24.02.2006
NATIONAL ADVISORY COMMITTEE ON ACCOUNTING STANDARD
Owaisi Shri Asaduddin

Will the Minister of COMPANY AFFAIRS be pleased to state:

(a) whether the Government appointed a National Advisory Committee on Accounting Standards (NACAS) to suggest accounting standards for corporate in 2001;

(b) if so, whether the said Committee has submitted its report to the Government;

(c) whether the Government has accepted the recommendations of the Committee; and

(d) if so, the steps taken or being taken to make the accounting system corporate friendly to gain more revenue to the Government?

Answer

MINISTER OF COMPANY AFFAIRS (SHRI PREM CHAND GUPTA)

(a) & (b) Yes, Sir. The National Advisory Committee on Accounting Standards (NACAS) set up under section 210A of the Companies Act, 1956 has submitted its recommendations on Accounting Standards to the Government on 7-2-2006.

(c) The Ministry is examining the recommendations of NACAS for the purpose of prescribing the Accounting Standards under section 211(3C) of the Companies Act, 1956.

(d) The statutory requirements relating to preparation and disclosure of financial information of a company are intended to enable the stakeholders of the company to have access to the company`s financial information so that they have a true and fair view of the state of affairs of the company on a yearly basis.